



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 2  
290 BROADWAY  
NEW YORK, NY 10007-1866

**NOV 15 2016**

Dawn Henry, Esq.  
Commissioner  
Virgin Island Department of Planning and Natural Resources  
45 Mars Hill  
Frederiksted, Virgin Islands 00840

Re: Approval of Budget of the HOVENESA Environmental Response Trust

Dear Commissioner Henry:

The United States Environmental Protection Agency – Region 2 (EPA) has received and reviewed the proposed 2016 budget submitted by the HOVENESA Environmental Response Trust (ERT) dated April 15, 2016, and submitted, with minor revisions, to EPA on October 31, 2016. The initial proposed budget was sent to the United States Virgin Islands (VI), addressed to your attention, by letter dated April 15, 2016 and the revised budget by e-mail dated October 31, 2016. The proposed 2016 budget covers the time period starting on February 17, 2016, the effective date of the ERT, through December 2016.

As you are aware, Section 7.13 of the Environmental Response Trust Agreement (Agreement) specifies which matters are subject to approval by EPA, the United States Department of Justice (DOJ) and/or the VI. The proposed budget contains a detailed table (Table 1) itemizing the expected expenditures and corresponding costs, as well as a column in which the ERT indicates which items require EPA, DOJ and/or VI approval. EPA believes that the ERT correctly identified the party(ies) required to approve each item identified in its proposed budget.

Certain costed items listed in Table 1 (line items 1-6, 8, 10(b), 12-24) are subject to EPA approval after consultation with the VI. See Section 7.13.1 of the Agreement. EPA is prepared to approve the proposed budget for each of these items. If you have any concerns regarding any of these items, please detail your concerns and send them to my attention in writing. If we do not hear from you within two weeks of your receipt of this letter, we will assume you have no comments and EPA will approve the above referenced line items of the 2016 Budget.

If you have any questions, please do not hesitate to contact Flaire Mills of my staff at 212 637-3198.

Sincerely,

A handwritten signature in blue ink, which appears to read "Eric Schaaf", is written over the word "Sincerely,".

Eric Schaaf  
Regional Counsel